

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7124**

**BILL NUMBER:** HB 1342

**DATE PREPARED:** May 1, 2001

**BILL AMENDED:** Apr 28, 2001

**SUBJECT:** Regional water and sewer districts.

**FISCAL ANALYST:** Bernadette Bartlett

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**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (CCR Amended) This bill provides that a regional water, sewage, or solid waste district may not require a property owner to connect to the district's sewer system if: (1) the property owner's septic system was installed not more than five years before the district's sewer system first became available for connection; (2) the property owner's septic system was new at the time of installation and was approved by the local health department; and (3) the property owner provides certification from the local health department or the department's designee that the septic system is functioning satisfactorily. The bill provides that the exemption from mandatory connection extends for a period of three years beginning on the date of the district's sewer system's anticipated connection date.

A district may require a property owner who otherwise qualifies for the connection exemption to connect to the district's sewer system if the district credits part of the cost of the property owner's septic system against the debt service portion of the property owner's monthly bill. The bill provides an appeal process to the county executive if: (1) the district's rates and charges are greater than 5% per year; and (2) a petition is filed with the district authority within thirty days of the rates and charges ordinance being adopted.

**Effective Date:** (CCR Amended) July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) This bill exempts Jennings County and regional sewage districts already established. The remaining county executives would be required to investigate and conduct a public hearing if the county receives a petition opposing certain increases in charges and rates. The county would also be required to send notice of the hearing by certified mail to the district and the petitioner and publish the notice in the largest newspaper of general circulation in each county of the district. These

provisions will increase expenses for counties. The specific increase will depend upon the number and nature of petitions filed, if any.

A district that is not exempt and that has filed plans with the Department of Environmental Management to create or expand a sewage district must provide written notice to affected property owners that the property owner may be required to discontinue the use of a septic system; that the property owner may qualify for an exemption from the requirement to discontinue the use of the septic system; and the procedures to claim an exemption. This provision will increase expenses to the districts by an indeterminable amount. The impact will depend on the number and nature of sewage district that are created or expanded and the number of notices required.

The order of the district authority may be appealed by the district or a petitioner to the circuit court of the county in which the district is located. This provision will increase expenses to the districts and circuit courts by an indeterminable amount. The impact will depend on the number and nature of legal action pursued.

Local health departments would also incur additional expenses providing certifications that septic systems are functioning satisfactorily. However, certifications are provided at the expense of the property owners.

**Explanation of Local Revenues:** This bill provides that a regional water, sewage, or solid waste district may not require a property owner to connect to the district's sewer system under certain conditions. This provision will decrease revenues to districts by an indeterminable amount if qualifying property owners do not connect to the district's sewer system and, consequently, do not pay rates or charges assessed. The impact will depend upon the district and the number of property owners who would qualify to opt out of the sewer system hook-up.

**State Agencies Affected:**

**Local Agencies Affected:** Counties; regional water, sewage, or solid waste districts; county circuit courts; and local health departments.

**Information Sources:**